

CHAL-0843-60
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DOCUMENT NO. 7
NO CHANGE IN CLASS. X
DECLASSIFIED
CLASS. CHANGED TO: TS S C 2011
NEXT REVIEW DATE: _____
AUTH: HR 70-2
DATE 220681 REVIEWER: 010956

8 January 1960

MEMORANDUM FOR THE RECORD

SUBJECT : Concurrence in Definitive Contract No. SE-510
with Granger Associates Palo Alto, California
Project CHALICE.

1. This memorandum contains a recommendation submitted for concurrence of the undersigned. Such recommendation is contained in Paragraph 5.

2. Contract No. SE-510 covers the procurement of five (5) additional Repeater Jammers, Model 504B. These units are almost identical to the two units previously procured under Contract No. SE-509. This is the Definitive Contract and it supersedes the Letter Contract No. SE-510 dated 14 October 1959. The Contract has been negotiated on a Straight Fixed Price basis. Prices and Delivery Schedules are set forth in the Contract. A memorandum of the negotiation is attached to this file. A total price of \$138,652.00 has been negotiated for all items.

3. Definitive Contract No. SE-510 obligates an amount of \$38,652.00 chargeable to Fiscal Year 1960 CHALICE funds. This results in a total obligation of \$138,652.00. Authority for this procurement is set forth in Program Approval CHAL-0737 dated 8 September 1959. By concurrence to this memorandum the Comptroller signifies that sufficient funds are available and that funds have been obligated as provided above.

4. Certification of funds for this contract will be handled under the procedure approved by the Director of Central Intelligence on 15 December 1956 which, in effect, results in all covert expenses involving issuance of Treasury Checks being accumulated in a separate account within the Finance Division. The amounts in this account will be periodically scheduled for certification of the vouchers by the Director. This procedure eliminates the necessity for a separate certification of authority under Section 8(b) of Public Law 110,

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81st Congress, (formerly 10(b) see 85-507 dtd. 7/7/58) for each contract.

5. Concurrence in Definitive Contract No. SE-510 is recommended.

[Redacted Signature Box]

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Contracting Officer, DPD

CONCURRENCES:

[Redacted Signature Box]

Comptroller, DPD

DATE

4/2/60

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[Redacted Signature Box]

COL. STANLEY BEERLI
Chief, Operations Br., DPD

DATE

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[Redacted Signature Box]

Office of General Counsel

DATE

1/13/60

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DPD-DD/P:

Distr.

1-SE-510

2-Finance

3-Chrono

[Redacted Signature Box]

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11 January 1960

MEMORANDUM FOR THE RECORD

SUBJECT : Meeting at Granger Associates

1. On 5 January 1960 I met with [redacted] Granger Associates and Wayne Ketchum, Air Force Auditor. The following was discussed:

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(a) Contract SE-509 for initial two units. The Contractor will furnish a GFP statement, residual listing and a patent and royalty statement. Wayne will furnish the audit report in the next few weeks. The Contractor in furnishing his cost proposal will include a statement on the research account questioned by Wayne and comments on profit requested.

(b) Contract SE-510, a price was negotiated on the 5 units, spares, test equipment and a separate item was established for billing residual items caused by reduction of 8 units to 5 units. The residual item was to obligate funding; a procedure for billing will be worked out later, possibly modified if and when we rework the 504A's to 504B's. We reviewed the contract clauses agreeing to delete Anticipatory Costs and Price Redetermination Articles since a fixed price contract was involved. There were the following changes in the spares list: delete 5 each attenuator, coaxial, admittance corp. CA-2 and the following changes in the test equipment list -- increase items 5, 6, 7, 8 and 9 from 1 ea. to 2 ea. since the items were already manufactured and add number 12 Coax attenuator, admittance corp. CA-2 -- 2 each.

Item 1	99,000	(\$19,800 ea)
2	34,343	
3	1,309	
4	4,000	
	<u>\$138,652</u>	

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[redacted]
Contracting Officer, DPD